

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 140643
ORIGIN IO-14

INFO OCT-01 EUR-12 EA-10 ISO-00 ACDA-12 CIAE-00 INR-10
L-03 NSAE-00 EB-08 NRC-05 OES-07 SOE-02 DODE-00
DOE-15 SS-15 SP-02 CEQ-01 TRSE-00 OMB-01 ABF-01
NSCE-00 SSO-00 ICAE-00 INRE-00 /119 R

DRAFTED BY IO/SCT:ADJILLSON
APPROVED BY IO:RBARRY
S/AS:PFARLEY
OES/NET:JBORIGHT
ACDA/NP:RWILLIAMSON (SUBS)
EUR/RPE:WRSALISBURY (SUBS)
IO/SCT:JPTREVITHICK

-----061629 030123Z /73

O 030024Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY PARIS IMMEDIATE
AMEMBASSY BRUSSELS IMMEDIATE
AMEMBASSY BONN IMMEDIATE
AMEMBASSY LONDON IMMEDIATE
AMEMBASSY ROME IMMEDIATE
AMEMBASSY TOKYO IMMEDIATE
INFO AMEMBASSY VIENNA IMMEDIATE

LIMITED OFFICIAL USE STATE 140643

USIAEA; LONDON PASS AMBASSADOR SMITH

E.O. 11652: N/A

TAGS: AORG, AFIN, IAEA, OCON, FR

SUBJECT: JUNE MEETING OF IAEA BOARD OF GOVERNORS: AGENCY'S
BUDGET FOR 1979

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 140643

REF: VIENNA 4915

1. DEPT IS DISTURBED BY REPORT IN REFTEL THAT FRENCH
REPRESENTATIVE IN VIENNA HAS PROPOSED A 15 PERCENT CEILING
ON INCREASES FOR FUTURE AGENCY BUDGETS INCLUDING THE 1979
BUDGET WHICH WILL BE CONSIDERED AT NEXT WEEK'S BOARD OF
GOVERNORS MEETING. WE BELIEVE THAT SUCH A PROPOSAL WOULD

SERIOUSLY HAMPER THE AGENCY'S ABILITY TO FULFILL ITS RESPONSIBILITIES ESPECIALLY IN THE AREA OF SAFEGUARDS. WE ARE CONCERNED AT REPORTS OF SUPPORT GIVEN TO FRENCH POSITION BY FRG, ITALY, JAPAN AND BELGIUM.

2. IAEA DIRECTOR GENERAL PROPOSED 1979 BUDGET OF DOLS 70.9 MILLION AT ADMINISTRATIVE AND BUDGET COMMITTEE MEETING IN EARLY MAY. THIS WAS AN INCREASE OF DOLS 19.5 MILLION OR 38 PERCENT OVER THE 1978 BUDGET. AT THE A AND B COMMITTEE MEETING, THERE WAS GENERAL CONCERN EXPRESSED OVER THE SIZE OF THE BUDGET, BUT THERE WERE FEW CONCRETE PROPOSALS FOR REDUCTIONS. IN THE LIGHT OF THE COMMITTEE'S DISCUSSION, WE UNDERSTAND THAT THE DIRECTOR GENERAL WILL PROPOSE A

REDUCTION OF JUST OVER DOLS 2 MILLION, INCLUDING REDUCTIONS IN THE COST OF THE TRANSFER TO DONAU PARK AND IN THE SAFEGUARDS PROGRAM. WE INTEND TO STRONGLY SUPPORT DIRECTOR GENERAL'S REVISED BUDGET.

3. ACTION ADDRESSEES ARE REQUESTED TO APPROACH APPROPRIATE HOST GOVERNMENT OFFICIALS AS SOON AS POSSIBLE SINCE BOARD MEETING BEGINS TUESDAY, JUNE 6 AND DRAW ON TALKING POINTS IN FOLLOWING PARAGRAPH. EMBASSIES SHOULD REPORT ON APPROACHES WITHINFO TO VIENNA FOR USIAEA. US MISSION SHOULD FOLLOW UP, AS APPROPRIATE, WITH LOCAL MISSIONS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 140643

4. FOR LONDON. REFTEL DOES NOT INDICATE WHERE UK STANDS ON THIS QUESTION; AS UK IS ONE OF MAJOR CONTRIBUTORS, WE WOULD LIKE THEIR SUPPORT ON THIS QUESTION, AND BELIEVE THAT UK OFFICIALS WILL BE SYMPATHETIC TO OUR VIEWS. SUGGEST THIS MATTER BE COVERED IN AMBASSADOR SMITH'S CONSULTATIONS.

5. TALKING POINTS:

- WE HAVE LEARNED FROM OUR MISSION TO THE IAEA THAT THE FRENCH REPRESENTATIVE IN VIENNA HAS PROPOSED THAT THE 1979 IAEA BUDGET BE LIMITED TO A 15 PERCENT INCREASE OVER 1978, AND THAT FUTURE BUDGETS BE ALSO LIMITED TO 15 PERCENT INCREASE. WE VIEW THIS PROPOSAL WITH GREAT CONCERN SINCE IMPLEMENTATION OF SUCH A CUT IN THE PROPOSED 1979 BUDGET COULD SERIOUSLY WEAKEN THE AGENCY'S SAFEGUARDS PROGRAM AND AGGRAVATE THE NORTH/SOUTH DIVISIONS IN THE AGENCY.

- ONE OF THE MAIN FACTORS RESPONSIBLE FOR THE SIGNIFICANT INCREASE PROPOSED FOR THE 1979 BUDGET IS DUE TO THE INCREASE IN THE AGENCY'S SAFEGUARDS RESPONSIBILITIES. THIS IS CENTRAL TO AGENCY'S MANDATE AND IT IS ESSENTIAL THAT THE SAFEGUARDS DEPARTMENT HAVE ADEQUATE STAFF TO CARRY OUT ITS

TASK.

- AT THE SAME TIME IT IS NOT POLITICALLY FEASIBLE TO PROPOSE A LARGE INCREASE IN SAFEGUARDS STAFF AND MINIMAL OR NO INCREASES IN OTHER AGENCY PROGRAMS. THE DEVELOPING COUNTRIES WOULD NEVER AGREE TO A BUDGET WHICH DOES NOT PROVIDE SOME INCREASES FOR PROGRAMS WHICH THE LDC'S CONSIDER IMPORTANT, SUCH AS THE FOOD AND AGRICULTURE DIVISION AND TECHNICAL ASSISTANCE.

- A LARGE PART OF THE PROPOSED INCREASE FOR 1979 IS BEYOND THE CONTROL OF THE AGENCY; I.E., INFLATION AND DOLLAR DEPRECIATION AGAINST THE SCHILLING. IN ADDITION MOST OF THE COSTS OF THE MOVE TO DONAU PARK CAN NOT BE POSTPONED OR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 STATE 140643

CUT ALTHOUGH THE DIRECTOR GENERAL HAS ACCEPTED SOME REDUCTION IN THIS AREA IN HIS REVISED BUDGET.

-WHILE IN GENERAL WE BELIEVE IN LIMITING INCREASES IN THE BUDGETS OF THE UN AND ITS SPECIALIZED AGENCIES, AND APPRECIATE SUPPORT OF ADDRESSEES IN HOLDING DOWN INTERNATIONAL ORGANIZATION BUDGETS, WE BELIEVE THAT IMPOSITION OF A RIGID 15 PERCENT CEILING ON THE IAEA WOULD BE A SERIOUS MISTAKE AND WOULD WEAKEN THE AGENCY'S ABILITIES AS THE MAIN INSTRUMENT OF NON-PROLIFERATION POLICY. HOWEVER, THE IAEA BUDGET LIKE ANY OTHER INTERNATIONAL ORGANIZATION BUDGET, MUST BE CAREFULLY SCRUTINIZED IN ORDER TO ENSURE THAT ANY EXCESS EXPENDITURES AND ANY MARGINAL PROGRAMS ARE ELIMINATED, AND OUR MISSION IN VIENNA WILL WORK WITH YOUR MISSION TO THAT END.

-WE HOPE THAT YOUR GOVERNMENT AS WELL AS THE GOVERNMENTS OF OTHER NUCLEAR SUPPLIERS WILL SHARE OUR VIEWS ON THE INVALUABLE CONTRIBUTION WHICH THE IAEA HAS MADE TO NON-PROLIFERATION AND THEREFORE HOPE THAT YOUR GOVERNMENT WILL RECONSIDER ITS POSITION ON THIS QUESTION.

6. IO DEPUTY ASSISTANT SECRETARY BARRY MET WITH FRENCH EMBOFF CHENU ON JUNE 2 TO PRESENT POINTS IN PARA 5 ABOVE. CHENU STRESSED THAT GOF WAS OBLIGED TO TAKE THIS DRASTIC DECISION WITH REGARD TO ALL ITS ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS BECAUSE OF THE DIFFICULT ECONOMIC SITUATION IN FRANCE. THE FRENCH PARLIAMENT INSISTED THAT FRENCH CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS BE LIMITED TO A TEN PERCENT INCREASE IN 1979 EXCEPT FOR IAEA WHERE THE CEILING SHOULD BE ABOUT 15 PERCENT. CHENU PRESENTED FRENCH PROPOSALS FOR IAEA BUDGET CUTS ALONG LINES LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 140643

DESCRIBED IN PARA 2 REFTEL. CHENU WAS NONCOMMITAL WHEN BARRY ASKED WHETHER THIS WAS A MAJOR EFFORT ON FRANCE'S PART TO ROLL BACK THE IAEA BUDGET. BARRY THEN EXPRESSED THE HOPE THAT THE FRENCH REPRESENTATIVES WOULD NOT MAKE AN ACTIVE EFFORT TO PERSUADE OTHER COUNTRIES TO JOIN THEM, AND THAT THE FRENCH REPRESENTATIVE WOULD BE CONTENT TO STATE THE GOF POSITION, AND TO VOTE NO IF THE QUESTION WAS BROUGHT TO A VOTE. BARRY EXPRESSED HIS HOPE THAT THE US AND FRANCE COULD COORDINATE THEIR VIEWS AND WORK CLOSELY WITH OTHER MEMBERS OF THE GENEVA GROUP ON THE 1980 BUDGET.

7. FOR BONN, BRUSSELS, LONDON AND TOKYO: AS WE UNDERSTAND FRENCH POSITION, THEIR PROPOSAL HAS GROWN FROM CONSTRAINTS PLACED ON GOF BY FRENCH PARLIAMENT. WE WOULD HOPE THAT OTHER COUNTRIES WOULD NOT LET THEIR SHARED INTEREST WITH FRANCE IN KEEPING EXPENDITURES DOWN LEAD THEM TO SUPPORT FRANCE'S RIGID POSITION WHICH IS DICTATED BY DOMESTIC CONSIDERATIONS AND WHICH WOULD BE INCONSISTENT WITH OUR LARGER OBJECTIVES IN THE IAEA. CHRISTOPHER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE140643
Document Source: CORE
Document Unique ID: 00
Drafter: ADJILLSON
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780232-0187
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780699/aaaadhid.tel
Line Count: 194
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e048be92-c288-dd11-92da-001cc4696bcc
Office: ORIGIN IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 VIENNA 4915
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2501059
Secure: OPEN
Status: NATIVE
Subject: JUNE MEETING OF IAEA BOARD OF GOVERNORS: AGENCY'S BUDGET FOR 1979 LIMITED OFFICIAL USE
TAGS: AORG, AFIN, OCON, FR, IAEA
To: PARIS BRUSSELS MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e048be92-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014